



# Iowa Department of Human Services

Kim Reynolds  
Governor

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Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1845-MC-FFS

**DATE:** November 6, 2017

**TO:** Iowa Medicaid Rehabilitation Agencies, Nursing Facilities (NFs) and Intermediate Care Facilities for Persons with an Intellectual Disability (ICF/ID)

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Occupational, Physical, and Speech Therapy (OT/PT/ST) For NF Residents

**EFFECTIVE:** Immediately

**\*\*\*This letter replaces Informational Letter No. 1759-MC-FFS issued February 1, 2017\*\*\***

Effective November 1, 2013, changes were made to chapter 441 Iowa Administrative Code (IAC) 78.19(1)(a)(1) regarding coverage of OT/PT/ST services provided by rehabilitation agencies to residents living in a NF. In accordance to these changes:

Payment will not be made to a rehabilitation agency for therapy provided to a member residing in a nursing facility or an intermediate care facility for persons with an intellectual disability since these facilities are responsible for providing or paying for services required by members.

Rehabilitation agencies should be billing facility providers for any OT/PT/ST services they are providing to NF and ICF/ID residents. Facility providers should then pay the rehabilitation agencies for the OT/PT/ST services and report those payments on their annual cost reports.

It has come to the attention of the IME that some rehabilitation agencies have been billing Medicaid instead of the facility since the rule change. This letter is to provide awareness of the rule change and advise rehabilitation agencies that they are not to bill Medicaid or the Managed Care Organizations (MCOs) for OT/PT/ST services to residents living in a NF or ICF/ID.

The IME Program Integrity Unit will be reviewing claims for these services and will be taking appropriate action as needed.

This informational letter does not apply to Medicare inpatient crossover claims referenced in [Informational Letter 1313](#)<sup>1</sup> dated November 6, 2013. When a provider submits claims to traditional Medicare for Medicare/Medicaid beneficiaries, Medicare will process the claim, apply a deductible and/or coinsurance amount and automatically forward (crossover) the claim to the IME or the MCO for payment of the deductible and/or coinsurance amount due.

Effective July 1, 2017, Medicare Part A and Part B crossover claims will be limited to the Medicaid reimbursement amount pursuant to Informational Letter [1803-MC-FFS](#)<sup>2</sup> dated June 1, 2017. The Medicaid allowed amount for the OT/PT/ST services to residents living in a NF or ICF/ID is calculated using the Medicare Part A or Part B Deductible and Coinsurance – Medicaid Non-Covered Services section of Informational Letter 1803-MF-FFS.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<http://dhs.iowa.gov/sites/default/files/1313%20Inpatient%20Crossover%20or%20Inpatient%20Medicaid%20Duplicate%20Claims.pdf>

<sup>2</sup> [https://dhs.iowa.gov/sites/default/files/1803-MC-FFS\\_MedicarePartA\\_BCrossOverClaims\\_DuallyEligibleMedicare\\_MedicaidMembers.pdf](https://dhs.iowa.gov/sites/default/files/1803-MC-FFS_MedicarePartA_BCrossOverClaims_DuallyEligibleMedicare_MedicaidMembers.pdf)